

Policy Briefing Summary

City Council



Regarding:	Resolution Authorizing Purchase of 2000 Holiday Drive
Staff Contact(s):	John Maddux, City Attorney, Samuel Sanders, Jr., City Manager
Presenter:	Chris Engel, Director of Economic Development
Date of Proposed Action:	October 6, 2025

Issue

As part of its Homeless Intervention Plan, the City of Charlottesville, Virginia ("City"), has actively been seeking a facility to serve as a low-barrier shelter for those experiencing homelessness in our community. During the search, the City became aware of an opportunity to acquire the property located at 2000 Holiday Drive ("Property") in the City.

Background / Rule

The Property consists of two (2) contiguous land parcels totaling approximately 3.8 acres of land and a building with 27,000 gross square feet. The building has most recently been used as an office space accommodating over one-hundred (100) employees on site. There are sixty-nine (69) off-street parking spaces, as well as a number of street spaces on Holiday Drive. The site is also served by a transit stop 800' east at the intersection of Emmet Street and Holiday Drive.

Given the building's current configuration, it will require renovation to be suitable for overnight shelter purposes. Initial review by City Staff indicates the building is sound and its configuration is conducive to conversion to an overnight/day shelter use.

At this point, plans have not been developed, and costs are unknown at this time. The proposed Purchase Agreement provides a short study period until October 30 to more fully identify any issues that would significantly prevent transition to a shelter use. The City plans to engage with various non-profit service providers regarding the operation of the facility and the local philanthropic community to seek assistance in funding the necessary renovations.

City Staff proposes to use available funds from the CIP Contingency account to acquire the Property.

Analysis

Negotiations with the owners of the Property have resulted in the terms set forth below and within the attached Resolution:

1. Purchase Price: The proposed Purchase Price for the property is \$6,200,000.
2. Closing Date: Closing would be scheduled to take place on November 20, 2025. Within three (3) days of executing a Written Real Estate Purchase and Sale Agreement, the City will pay a deposit to be held in escrow which will be applied to the purchase price at closing.
3. Clear Title: At closing, the City will receive insurable title to the property by Special Warranty Deed. The Property will be acquired by the City in "as-is" condition.
4. Seller Costs: The Owner will pay its own attorneys' fees, including preparation of the deed, preparation of a lien affidavit, costs associated with releasing deeds of trust or other existing liens, if any, and recordation taxes applicable to grantors, and other closing documentation.

5. City Costs: The City is responsible for costs of title examination and title insurance, and all recording costs and recordation taxes other than the grantor's tax, and other closing documentation necessary to complete the City's purchase.
6. Taxes: The Owner must pay all real estate taxes due on the Property, through the date of Closing.
7. Other Terms: Such other or further administrative, procedural, or contractual provisions as deemed necessary by the City Attorney to effectuate the binding agreement for the purchase and sale of the Property upon the terms set forth above.

The City will have until October 30, 2025, to study the building and determine if there are any major structural issues or other significant concerns that would prevent the proposed use.

The City's obligation to purchase the Property is conditioned on approval by City Council. A proposed Resolution evidencing that approval is attached for City Council's consideration. Should said Resolution be approved, the City Manager will execute the Purchase Agreement on behalf of the City with support from the City Attorney's Office. A separate resolution appropriating the funds for purchase will be introduced during the October 6, 2025 City Council meeting, and then voted on following a public hearing during City Council's October 20, 2025 meeting.

Financial Impact

There is no impact to the City's General Fund Budget. The CIP Contingency Account will be reduced by \$6,200,000 as a result of the Property's purchase.

Recommendation

City Staff recommends adoption of the attached Resolution, authorizing the purchase of the Property, upon terms stated in the Resolution.

Recommended Motion (if Applicable)

"I make a Motion to adopt the attached Resolution authorizing the purchase of the Property, upon terms stated in the Resolution."

Attachments

1. Resolution authorizing terms to purchase 2000 Holiday Drive v2 10.06.2025
2. Seller Executed 2000 Holiday Dr. Purchase and Sale Agreement 09.25.2025(V2 Seller Rev)